

**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA**

**DOCKETING DEPARTMENT**

**NOTICE OF FILING AND HEARING**

**DOCKET NO. 2005-235-W**

**APPLICATION OF ASHLEY OAKS WATER SYSTEM, INCORPORATED FOR APPROVAL OF AN ADJUSTMENT IN RATES AND CHARGES FOR WATER SERVICES**

Ashley Oaks Water System, Incorporated ("Utility") has filed an Application with the Public Service Commission of South Carolina ("Commission") for approval of an adjustment in rates and charges for water services. The Application was filed pursuant to S. C. Code Ann. § 58-5-210 (Supp. 2004) and 26 S. C. Code Ann. Regs. 103-514.4, 103-712.4 and 103-834. The Utility was established to provide water service to the 153 acre planned development known as Ashley Oaks phases VI, VII, and VIII, located in Blythewood, South Carolina, Richland County.

According to the Application, the request for approval of new rates and charges is based on the historical test year ended December 31, 2004. The Application reveals that the test period is representative of the Utility's normal operations which have produced little, if any, historical annual income. The pro forma rate period is also presented on a complete system analysis. Virtually all potential customers are being served; the system has reached full system build-out. There are currently 94 customers, only six lots remain that could be built upon, but are sold lots. Further, the Application indicates that the proposed complete system includes the Utility's current service territory of residential connections which consists of residences in Ashley Oaks, Phases VI, VII, and VIII. The system is currently designed to service over 250 residences. No plans exist at this time to expand the current number of users, the subdivisions are fully sold.

The Application states further that a rate adjustment is necessary because the current rates do not enable the Utility to cover its cost of providing service; earn a fair return on its investment; adequately provide the ability to fully comply with required testing and treatment; and provide for replacement costs for normal wear and tear on the water system. The Application reveals that the Utility has not been granted relief for rates in 16 years. The test year revenues, under current rates, produced a net operating loss of \$3,625 for water operations, and a negative 4.5% return on investment. The proposed rates developed in this Application are essential for Ashley Oaks Water System to continue to provide its customers with adequate water service.

According to the Application, the South Carolina Department of Health and Environmental Control ("DHEC") requires that: "The water from each treatment process shall be sampled and analyzed as often as necessary to ensure that the treatment process is functioning properly, but in no case less than once a day." (R.61-58 State Primary Drinking Water Regulation). The Utility's revenues at the current levels are not adequate to cover the cost of water testing compliance daily. A rate increase will be used to fund water testing at the level prescribed by this regulation.

A copy of the Application is on file in the offices of the Commission, 101 Executive Center Drive, Synergy Business Park, Columbia, South Carolina 29210, the Commission's website at [www.psc.sc.gov](http://www.psc.sc.gov) and is available from Lyn Richards, CPA, Lyn Richards & Associates, Incorporated, 121 Executive Center Drive, Suite 243, Columbia, South Carolina 29210.

**THE PROPOSED CHANGES IN THE RATES AND CHARGES ARE SET FORTH BELOW.**

(The complete rate schedule is available from the Company at the above address and on the Commission's website at [www.psc.sc.gov](http://www.psc.sc.gov).)

	<u>Present Rates</u>	<u>Proposed Rates</u>
<b>I. <u>Residential Rates</u></b>		
<b>A. <u>Water</u></b>		
1) Tapping Fees & 3/4" Meter Box	\$500.00	\$500.00
2) Base Monthly Charge	\$7.00	\$16.00
3) Consumption Charge (per 1,000 gallons)	\$1.95	\$2.25
4) DHEC Monitoring Fee - Base Annual Charge (Currently not being charged for 2004)	\$27.57	\$30.00
<b>II. <u>Special Conditions</u></b>		
<b>A. <u>Tapping Fees:</u></b> Remain as in original tariff.		
<b>B. <u>System Development Charge:</u></b> Currently, there is no reserve for replacing or repairing pumps or water lines. Proposed increase will be escrowed for replacement of equipment.	\$0.00	\$5.00

In order for testimony and evidence to be received from all interested parties, a public hearing will be held in the Commission's Hearing Room at 101 Executive Center Drive, Saluda Building, Columbia, South Carolina on **Wednesday, January 4, 2006 at 10:30 a.m.**

Any person who wishes to testify and present evidence at the hearing concerning these matters should notify, in writing, the Docketing Department at the address below, the Office of Regulatory Staff, Post Office Box 11263, Columbia, South Carolina 29211 and Lyn Richards, CPA, Lyn Richards & Associates, Incorporated, 121 Executive Center Drive, Suite 243, Columbia, South Carolina 29210 on or before **September 21, 2005**. Please refer to ***Docket No. 2005-235-W***.

Any person who wishes to participate in this matter, as a Party of Record with the right of cross-examination, should file a Petition to Intervene in accordance with the Commission's Rules of Practice and Procedure, on or before **September 21, 2005** and indicate the amount of time required for his presentation. Please include an email address for receipt of future Commission correspondence in the Petition to Intervene. Please refer to ***Docket No. 2005-235-W***.

Any person who wishes to be notified of any change in the hearing date, but does not wish to present testimony or be a party of record, may do so by notifying the Docketing Department, in writing, at the address below on or before **September 21, 2005**. *Please refer to Docket No. 2005-235-W.*

**Any person who wishes to request a hearing in his or her county of residence should notify before October 21, 2005**, in writing, the Docketing Department at the address below, the Office of Regulatory Staff, Post Office Box 11263, Columbia, South Carolina 29211 and Lyn Richards, CPA, Lyn Richards & Associates, Incorporated, 121 Executive Center Drive, Suite 243, Columbia, South Carolina 29210. *Please refer to Docket No. 2005-235-W.*

**PLEASE TAKE NOTICE:** Any person who wishes to have his or her comments considered as part of the official record of this proceeding **MUST** present such comments, in person, to the Commission during the hearing.

Persons seeking information about the Commission's Procedures should contact the Commission's offices by dialing (803) 896-5100.

Public Service Commission of South Carolina  
Attn: Docketing Department  
Post Office Drawer 11649  
Columbia, South Carolina 29211

22 August 2005

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